

HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR
HOUSE BILL 994

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
CHANGING THE STATE EQUALIZATION GUARANTEE DISTRIBUTION TO
REDUCE THE AMOUNT THAT IS REQUIRED TO BE USED FOR CAPITAL
OUTLAY BY CERTAIN SCHOOL DISTRICTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-8-25 NMSA 1978 (being Laws 1981,
Chapter 176, Section 5, as amended) is amended to read:

"22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--
DEFINITIONS-- DETERMINATION OF AMOUNT. --

A. The state equalization guarantee distribution is
that amount of money distributed to each school district to
ensure that the school district's operating revenue, including
its local and federal revenues as defined in this section, is
at least equal to the school district's program cost.

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1 B. "Local revenue", as used in this section, means
2 seventy-five percent of receipts to the school district derived
3 from that amount produced by a school district property tax
4 applied at the rate of fifty cents (\$.50) to each one thousand
5 dollars (\$1,000) of net taxable value of property allocated to
6 the school district and to the assessed value of products
7 severed and sold in the school district as determined under the
8 Oil and Gas Ad Valorem Production Tax Act and upon the assessed
9 value of equipment in the school district as determined under
10 the Oil and Gas Production Equipment Ad Valorem Tax Act. The
11 school district shall budget and expend [~~twenty~~] fifteen
12 percent of the total revenue receipts for capital outlay.

13 C. "Federal revenue", as used in this section,
14 means receipts to the school district, excluding amounts that,
15 if taken into account in the computation of the state
16 equalization guarantee distribution, result, under federal law
17 or regulations, in a reduction in or elimination of federal
18 school funding otherwise receivable by the school district,
19 derived from the following:

20 (1) seventy-five percent of the school
21 district's share of forest reserve funds distributed in
22 accordance with Section 22-8-33 NMSA 1978. The school district
23 shall budget and expend [~~twenty~~] fifteen percent of the total
24 forest reserve receipts for capital outlay; and

25 (2) seventy-five percent of grants from the

1 federal government as assistance to those areas affected by
 2 federal activity authorized in accordance with Title 20 of the
 3 United States Code, commonly known as "PL 874 funds" or "impact
 4 aid". The school district shall budget and expend [~~twenty~~
 5 from its state equalization guarantee distribution an amount
 6 equal to fifteen percent of the grant receipts for capital
 7 outlay.

8 D. To determine the amount of the state
 9 equalization guarantee distribution, the state superintendent
 10 shall:

11 (1) calculate the number of program units to
 12 which each school district is entitled using an average of the
 13 MEM on the fortieth, eightieth and one hundred twentieth days
 14 of the prior year; or

15 (2) calculate the number of program units to
 16 which a school district operating under an approved year-round
 17 school calendar is entitled using an average of the MEM on
 18 appropriate dates established by the state board; or

19 (3) calculate the number of program units to
 20 which a school district with a MEM of two hundred or less is
 21 entitled by using an average of the MEM on the fortieth,
 22 eightieth and one hundred twentieth days of the prior year or
 23 the fortieth day of the current year, whichever is greater; and

24 (4) using the results of the calculations in
 25 Paragraph (1), (2) or (3) of this subsection and the

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1 instructional staff training and experience index from the
2 October report of the prior school year, establish a total
3 program cost of the school district;

4 (5) calculate the local and federal revenues
5 as defined in this section;

6 (6) deduct the sum of the calculations made in
7 Paragraph (5) of this subsection from the program cost
8 established in Paragraph (4) of this subsection; and

9 (7) deduct the total amount of guaranteed
10 energy savings contract payments that the state superintendent
11 determines will be made to the school district from the public
12 school utility conservation fund during the fiscal year for
13 which the state equalization guarantee distribution is being
14 computed.

15 E. The amount of the state equalization guarantee
16 distribution to which a school district is entitled is the
17 balance remaining after the deductions made in Paragraphs (6)
18 and (7) of Subsection D of this section.

19 F. The state equalization guarantee distribution
20 shall be distributed prior to June 30 of each fiscal year. The
21 calculation shall be based on the local and federal revenues
22 specified in this section received from June 1 of the previous
23 fiscal year through May 31 of the fiscal year for which the
24 state equalization guarantee distribution is being computed.

25 In the event that a school district has received more state

1 equalization guarantee funds than its entitlement, a refund
2 shall be made by the school district to the state general
3 fund. "

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